

Section 1: Process Metrics

The following table represents the best estimates of focus group members for the following vendor information management metrics for their agencies.

	Agency 1	Agency 2	Agency 3	Agency 4	Agency 6A	Agency 6B	Agency 6C	Agency 7	Agency 8
# of staff with authority to maintain vendor records	2	18 ¹	5	5	3	21	4	4	2
Approximate total # of hours per month spent adding/maintaining/cleaning up vendor records	5 ²	40 - 45	4	248	8.5	2640 ³	160	23	300
Approximate number per month of:									
New vendor records added	15	Unk	25	80	25	4000	100	40	300-600
Vendor record updates made	2	Unk	25	68	5	4000	300	80	~300

¹ For five regions, one major division and HQ (which includes Capital)

² They spent an extra 320 hours in one year when they were recruiting their agency vendors for EFT/Statewide Vendors

³ This workload primarily represents setting up vendor records in the agency Social Service Payment System for service providers. Currently, only the small percentage of providers receiving payment by EFT are also set up in AFRS as Statewide Vendors. SSPS is scheduled to be replaced by Provider One, which will consolidate agency provider management. OFM and the agency are currently evaluating the feasibility of disbursing all Provider One payments through AFRS. Providers will still need to be set up in both Provider One and AFRS because Provider One requires more detail about each provider.

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Notes:

- The most frequent survey responses are **bolded**
- Options not selected by Focus Group agencies are *italicized*

Process Steps	Assumptions on Common Processes	Sample Agency Variations	Reason for Agency Practice
In General		<p><u>Vendor policy</u></p> <ul style="list-style-type: none"> ▪ Agency does not have policy ▪ Agency has vendor naming standards ▪ Agency is currently drafting a standard process for vendor edit ▪ Agency has vendor information management policy ▪ Agency does not have naming standards <p><u>Business Vendor ID format</u></p> <ul style="list-style-type: none"> ▪ Vendor ID is TIN (or Social Security # as applicable) ▪ Vendor ID is the client's Provider Number ▪ Statewide Vendor IDs are assigned sequentially by OFM with SWV as first 3 characters of ID ▪ Vendor ID is the first characters of company name <p><u>Employee Vendor ID format</u></p> <ul style="list-style-type: none"> ▪ Payroll ID is used for employee vendor ID ▪ Employee last name is a part of vendor ID ▪ Agency's system operation ID ▪ SSN is used for employee vendor ID ▪ SSN was used for employee vendor ID, but not any longer ▪ We have a database for employee vendor numbers; they are assigned in sequence <p><u>Employee AP Payment and Delivery Method</u></p> <ul style="list-style-type: none"> ▪ Employees can specify how they want their warrant delivered for each payment request ▪ All employees are paid by warrant ▪ Employees are paid by EFT only if they specifically request to receive their travel, etc by EFT in writing ▪ Employees are paid by their payroll payment method, unless they specifically object ▪ Most employees receive reimbursements by EFT; we consistently send messages to staff that do not 	<ul style="list-style-type: none"> ▪

Process Steps	Assumptions on Common Processes	Sample Agency Variations	Reason for Agency Practice
		<p>have EFT, to enroll them.</p> <ul style="list-style-type: none"> ▪ Even if employees are set up for AP EFT, they can elect to be paid by warrant for a specific payment ▪ Employee payments are always mailed to their home ▪ Employee payments are delivered or picked up at work <p><u>Primary Process Steps – sample for one agency</u></p> <ul style="list-style-type: none"> ▪ Get W9 from new vendor ▪ Complete agency worksheet for vendor ▪ Add vendor to agency vendor file ▪ AP Supervisor checks all vendor additions and changes in the agency file 	
Search for Vendor		<p><u>Events that trigger adding or updating vendor records</u></p> <ul style="list-style-type: none"> ▪ New contract is signed with the vendor ▪ Invoice is received from a vendor ▪ Vendor requests update ▪ Revenue refund needed ▪ Request from purchase office ▪ Request from other staff ▪ The need to pay a vendor routinely ▪ A W9 is requested if there is a vendor change, which often we do not discover until an invoice comes in and we see a different address, name etc ▪ <i>Purchase Order to vendor</i> <p><u>Agency vs. Statewide vendor policy</u></p> <ul style="list-style-type: none"> ▪ We use Statewide vendors whenever they are available ▪ We encourage our current agency vendors and new vendors to register as Statewide vendors ▪ Agency vendor record is blocked or deleted when the vendor registers as a statewide vendor – for the most part yes but we do have occasion to need to change method of payment so we will use agency number. ▪ All foreign vendors except Canadian vendors with US 	<ul style="list-style-type: none"> ▪

Process Steps	Assumptions on Common Processes	Sample Agency Variations	Reason for Agency Practice
		<p>TINs must be agency vendors</p> <ul style="list-style-type: none"> ▪ Reasons an agency might use and agency vendor when vendor is also registered as a statewide vendor <ul style="list-style-type: none"> ○ Can control the MWBE flags, ○ So remit to address can match the particular Invoice (NOTE: agencies can send a copy of the invoice to OFM and request addition of the new payment location to the vendor's SW vendor record) ○ To include references to specific contract information ○ To make payments to vendors "on behalf of" clients ○ Emergency/rush payments that will be picked up, or that can't wait for the 3 day EFT deposit ○ For tort claimants who must endorse the warrant to release the state from liability (this may be required by state RCW or WAC) ○ When specific remittance information must be included in the same envelope as the payment ○ Vendor requests warrant to pick up, earlier than an EFT could be deposited to their account ○ Vendor insists on warrant for some reason ○ Vendor doesn't like the state having access to their bank account ○ For counties that require payment be presented in person with a document that needs to be filed 	
Update Vendor Registration		<p><u>Acceptable documentation for vendor data update</u></p> <ul style="list-style-type: none"> ▪ Invoice with different payment address ▪ Phone call from vendor ▪ Email from vendor ▪ Signed form/letter from vendor ▪ Phone call/email from purchase office or other staff <p><u>Who has authority to add/update vendor records:</u></p> <ul style="list-style-type: none"> ▪ AP supervisor and cashier only 	<ul style="list-style-type: none"> ▪

Process Steps	Assumptions on Common Processes	Sample Agency Variations	Reason for Agency Practice
		<ul style="list-style-type: none"> ▪ Vendor registration unit only ▪ Provider file staff and program managers ▪ 4 people – the primary and 1 other who do not input payments or release payments, plus 2 backups with A/P input rights ▪ TRAINS operations staff only ▪ Accounting Manager, AP Lead, Internal Controls Manager, AP person as backup, and Systems Administrator ▪ Any AP staff person <p><u>Review/approval of vendor adds/updates</u></p> <ul style="list-style-type: none"> ▪ Vendor updates always require review/approval (but an update could be made without review since AFRS does not require approval) ▪ Primary person reviews all vendor updates ▪ Vendor updates are recorded on a form, which must be approved before the updates can be entered ▪ Vendor updates never require review/approval ▪ TIN/Name are validated with IRS before adding <p>Note: Agencies typically compare the remit to address on each warrant to the address on the vendor's invoice to validate the vendor will receive payment at their requested location</p>	
Request W-9		<p><u>Agency W-9 policy</u></p> <ul style="list-style-type: none"> ▪ Have a W-9 on file for every agency vendor ▪ Only ask for W-9 if payment is 1099-reportable ▪ For purchasing card vendors, we only ask when purchase is 1099 reportable. ▪ Ask for W-9 from all agency vendors but they don't always send them – sometimes takes multiple requests for forms but we feel we have 100% compliance outside of pcard. ▪ Collect the W-9 information by phone or email but don't ask the vendor to submit signed W-9. ▪ We will accept an email with electronic signature 	<ul style="list-style-type: none"> ▪

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		<p>noted</p> <ul style="list-style-type: none"> Currently collect w-9s only for vendors that sign up for EFT via the SWV vendors, and send them to OFM. We may start collecting W-9s for some non-EFT vendors in the relatively near future. It is planned to store these on-site in some manner. <p><u>W-9 forms are filed by:</u></p> <ul style="list-style-type: none"> TIN # (usually the same as agency Vendor ID) Business name <p><u>Backup Withholding</u></p> <ul style="list-style-type: none"> Agency does not withhold Agency does not withhold but is building the capacity to be able to do so in a year or so Agency has not withheld yet, but will address this in the Vendor Standard Process. Plan to keep copies to track backup withholding Agency withholds only for foreign vendors, when required by IRS rules <p><u>Decentralized AP agencies only</u></p> <ul style="list-style-type: none"> W-9s are maintained centrally for agency Originals maintained at Region; copy sent to HQ. 	
Request W-8		<p><u>Foreign Vendors</u></p> <ul style="list-style-type: none"> Agency has no foreign vendors Agency always collects the correct W-8 form from foreign vendors according to IRS rules Agency has foreign vendors but has never heard of a W-8 	<ul style="list-style-type: none">
Add Agency Vendor Record		<p><u>Acceptable documentation for new vendor</u></p> <ul style="list-style-type: none"> Vendor registration form Require W-9 before setup/payment Agency contract with vendor Order to vendor Invoice from vendor Signed form/letter from vendor Phone call/email from staff 	<ul style="list-style-type: none">

Process Steps	Assumptions on Common Processes	Sample Agency Variations	Reason for Agency Practice
		<ul style="list-style-type: none"> W9 is required, but often one of the above with prompt the request of a W9 	
Clean up Vendor records		<p><u>Vendor clean-up policy</u></p> <ul style="list-style-type: none"> Vendor records are reviewed annually Vendor records are reviewed quarterly VE records usually reviewed a couple times a year. For duplicates we will globalize DRS records and delete/block dup VE number. Duplicate vendor records are blocked/deleted Records not recently used are blocked/deleted If inappropriate duplicates are found, they are 'blocked'. Vendor records cannot be purged from one DSHS provider payment system since the vendor's years of service data is needed; this will be managed within DSHS systems and is not an issue for state accounts payable systems For agencies with limited resources, the agency vendor file just grows and grows <p><u>Multiple agency records for same vendor</u></p> <ul style="list-style-type: none"> Same vendor often has several agency vendor records with slightly different names Has duplicates for vendors that historically have applied payments to incorrect account numbers, such as certain cell phone or phone vendors Agency vendor file has only one vendor record per TIN Agency tries to keep only one vendor record per TIN Vendors sometimes have multiple payment addresses/contacts (Vendor ID suffix in AFRS) 	<ul style="list-style-type: none">